



April 20, 2012

Senate Pro Tempore Darrell Steinberg
State Capitol Room 205
Sacramento, CA 95814

**SUBJECT: SB 1136 (Steinberg) Health: Mental Health: Mental Health Services Act
As Amended on April 16, 2012 – SUPPORT IF AMENDED
Set for Hearing in Senate Health Committee on April 25, 2012**

Dear Senate Pro Tempore Steinberg:

On behalf of the California Mental Health Directors Association (CMHDA), which represents the directors of public mental health authorities in counties throughout California, we are writing to communicate our position on your bill, SB 1136, which makes a number of changes and clarifications to the Mental Health Services Act (MHSA), a ballot initiative approved by California voters in 2004.

CMHDA believes that, with a few important exceptions, SB 1136 clarifies and streamlines administrative requirements in the MHSA, consistent with the state budget adopted last year, as well as with 2011 Realignment, which moves decisions "closer to the people." CMHDA strongly supports the elimination of unnecessary bureaucracy; a streamlined funding distribution process; strong local oversight of MHSA planning, expenditures, and services; and an integrated approach to state and local evaluation, accountability, and data collection/reporting. Every dollar spent on unnecessary bureaucracy is a dollar not spent on essential services to meet the needs of residents in our communities.

Specifically, CMHDA strongly supports the bill's provision deleting a requirement that the state department establish requirements for the content of communities' MHSA plans [Section 5848, subdivision (c)]. The Act, as approved by voters, clearly outlines the required elements of the plan and updates. In recent years, the Department of Mental Health (DMH) has annually released lengthy guidance to counties for development of local plans and updates. This guidance has included dozens of enclosures and required attachments, which have proven administratively burdensome and cumbersome for local stakeholders to navigate. The deletion of this unnecessary, additional layer will allow more effective local program planning for the expenditure of funds and delivery of critical services.

Second, CMHDA strongly supports the bill's provision deleting the current limitation that statewide Prevention and Early Intervention (PEI) allocations be increased only when the Mental Health Services Oversight & Accountability Commission (MHSOAC) determines counties are receiving necessary services for severely mentally ill persons, have established prudent reserves, and there are additional revenues available in the fund [Section 5892 (a)(4)].

The deletion of this provision will allow for more local flexibility in determining how to expend funds and design services to meet community needs, as long as they continue to align with statutory expenditure requirements. Furthermore, CMHDA also strongly supports the addition of subdivision (e) to Section 5840, which would allow for PEI funds to be used to broaden the provision of community-based mental health services by adding PEI services or activities to these services.

Additionally, CMHDA supports strong local oversight and a robust community engagement process. A critical component of the MHSA has always been its strong stakeholder engagement provisions, which were not impacted by AB 100 (Committee on Budget, Statutes of 2011). Requirements include the engagement of stakeholders, including clients and family members, in the development of each plan and update, a 30-day public comment period on the draft plan and update, plan review by the local mental health board, and a public hearing. CMHDA supports the bill's provisions that further strengthen local oversight authority by requiring the three-year program and expenditure plans and updates be adopted by local Boards of Supervisors and submitted to the MHSOAC [Section 5847, subdivision (a)]. AB 100 left a certain level of ambiguity in the area of plan adoption. While state-level plan approval requirements were deleted, the submission requirements were retained – but without an identified recipient. SB 1136 would clarify the process for counties and their stakeholders, while providing for important oversight by local elected officials. This gives local stakeholders an important opportunity to work with both their local mental health boards and Boards of Supervisors to ensure an inclusive planning process and appropriate expenditure of funds.

Despite these many areas of agreement and support, we respectfully offer our concerns about a few provisions of the bill. CMHDA could support the bill without reservation if these particular provisions were amended as requested below. Additionally, we have identified a small number of technical suggestions we believe would improve clarity, which are described later in the document as well. We appreciate your consideration of these suggestions.

Concerns

- *County Funds Allocations*

In Welfare and Institutions Code (WIC) Sections 5847(d) (page 12) and 5891(c) (page 17), the bill adds a new requirement that Department of Health Care Services (DHCS) annually *inform* CMHDA and MHSOAC of the methodology used for revenue allocation to the counties, and requires the State Controller to use the methodology provided by DHCS for revenue allocation to the counties.

CMHDA has two primary concerns with the current language in these sections of the bill. First, the language implies that DHCS will also *determine* the methodology. We respectfully request that CMHDA's historical involvement with Department of Mental Health (DMH) in the determination of this methodology be honored as the state administrative responsibility shifts to DHCS.

The MHSA distribution methodology to which CMHDA contributed significantly and that has been used since initial implementation of the Act includes factors such as U.S. Census data, data on the prevalence of mental illness, county poverty levels, existing county resources, small county base allocations, and other factors developed by CMHDA to address the need for equitable distribution of MHSA tax revenues. In fact, CMHDA also currently develops

distribution methodologies for other community mental health programs, including Medi-Cal Specialty Mental Health and realignment to assist the state department in addressing the need for equitable distribution of resources on a county and statewide basis.

Requested Amendment: CMHDA respectfully requests Section 5847(d) be removed from the bill (page 12), and offer the following amendment to Section 5891(c) (page 17, lines 25-26):

(c) Commencing July 1, 2012, on or before the 15th day of each month, *pursuant to a methodology provided by the State Department of Health Care Services, developed in consultation with the California Mental Health Directors Association*, the Controller shall distribute to each Local Mental Health Service Fund established by counties pursuant to subdivision (f) of Section 5892, all unexpended and unreserved funds on deposit as of the last day of the prior month in the Mental Health Services Fund, established pursuant to Section 5890, for the provision of programs and other related activities set forth in Part 3 (commencing with Section 5800), Part 3.2 (commencing with Section 5830), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850).

- **MHSA Revenue and Expenditure Reports**

The bill adds Section 5899 to the Act (page 24), which requires counties to submit an "Annual MHSA Revenue and Expenditure Report" to DHCS and the MHSAOC that contains specified information and is intended to allow for evaluation of all major service categories funded by MHSA. The bill requires DHCS to develop instructions for the report, and for counties to submit the report electronically to both DHCS and the MHSAOC.

CMHDA notes that this Report is currently required by counties under DMH regulations (Section 3510), but was not a requirement in the original Act. We would prefer that this level of specificity as to administrative reporting be handled by state agencies and counties administratively, rather than codified in state law. Existing state law already provides MHSAOC the authority to obtain data and information from local entities to utilize in its oversight, review and evaluation capacity (WIC Section 5845), and contains numerous requirements that counties comply with state reporting requirements (e.g., WIC Sections 5610, 5650.5, 5664, 5801, 5809, 5882).

Additionally, the state department's forms and instructions for these Reports have changed on a nearly annual basis. Therefore, it seems that it would be helpful to allow for modifications to be made over time as information needs and data sources of the state and counties change.

Requested Amendment: CMHDA believes the requirements set forth in subdivision (a) of Section 5899 (page 24) contain sufficient guidance to ensure that an Annual MHSA Revenue and Expenditure Report is developed and submitted by counties annually. However, we request that the specificity included in subdivisions (b) and (c) of Section 5899 be removed from the bill, and that the intent and purpose of the report be simply added to subdivision (a) as follows:

5899. (a) The State Department of Health Care Services, in consultation with the Mental Health Services Oversight and Accountability Commission and the California Mental Health Directors Association, shall develop and administer instructions for the Annual Mental Health Services Act Revenue and Expenditure Report to be used for evaluation purposes. This report shall be submitted electronically to the department and to the Mental Health Services Oversight and Accountability Commission.

- *Innovative Programs*

In Section 5830 (b),(c), and (d) (pages 5 and 6), the bill would require all projects included in the Innovative Programs portion of county MHSA plans to meet a number of very specific requirements.

CMHDA is concerned that this additional language would establish a state-level perspective on what local communities may consider to be an "innovative approach". The purpose of Innovative Programs is already defined in the statute [Section 5230(a)], and the language in the bill places into state law a level of specificity and micromanagement that concerns counties. The language added in subdivisions (b) through (d) of Section 5830 would place into statute the administrative guidelines from a DMH Information Notice issued in 2009.

While counties have been *guided* by this DMH Information Notice in the development of their Innovative Programs, we are concerned that local flexibility and creativity may be inhibited if the counties are required under state law to select from a specified menu of approaches and purposes considered to be "innovative." The proposed language additionally requires that innovative projects proven to be "successful" transition to another category of funding.

Requested Amendment: We believe existing law as passed by voters in 2004 already states the required purposes of the Innovative Programs counties develop with local stakeholder input, and respectfully request the additional language contained in Section 5830 (b), (c), and (d) be removed from the bill.

Technical Suggestions

- *Comprehensive Joint Plan for a Coordinated Evaluation*

In Section 5845(d)(12) of the bill (page 10), the MHSOAC is required to work in collaboration with DHCS, the California Mental Health Planning Council, and in consultation with CMHDA, to design a comprehensive joint plan for coordinated evaluation of client outcomes in the community-based mental health system. The bill requires the California Health and Human Services Agency to lead the effort.

CMHDA would suggest this provision be added to a different section of the Act, for technical reasons. Currently, Section 5845 establishes the MHSOAC, describes its membership, and authorizes it to perform a number of activities in carrying out its duties and responsibilities. Since the language of this provision of the bill charges the California Health and Human Services Agency to *lead* the evaluation effort described, in collaboration with others, we believe a better location for this language would be in Section 5899, which requires the development of the Annual MHSA Revenue and Expenditure Report for evaluation purposes.

Suggested Amendment: We would suggest the language currently contained in Section 5845(d)(12) (page 10) be deleted, and then added to Section 5899, with minor, technical edits. As a result, Section 5899 would read as follows:

5899. (a) *The California Health and Human Services Agency shall* work in collaboration with the *Mental Health Services Oversight and Accountability Commission*, State Department of Health Care Services, the California Mental Health Planning Council, and in consultation with the California Mental Health Directors Association, to design a comprehensive joint plan for a coordinated evaluation of client outcomes in the community-based mental health system, including, but not limited to, parts listed in *Section 5845, subdivision (a)*.

(b) The State Department of Health Care Services, in consultation with the Mental Health Services Oversight and Accountability Commission and the California Mental Health Directors Association, shall develop and administer instructions for the Annual Mental Health Services Act Revenue and Expenditure Report *to be used for evaluation purposes*. This report shall be submitted electronically to the department and to the Mental Health Services Oversight and Accountability Commission.

- **Establishment of Performance Outcomes**

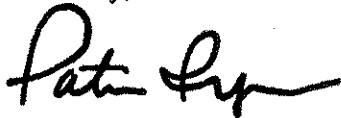
Section 5848(c) of the bill (page 14) requires that DHCS establish the performance outcomes for services funded by the MHSA *jointly* with the MHSOAC, and in collaboration with CMHDA. Since the California Mental Health Planning Council has a clear role under existing law pertaining to oversight of the community mental health system, we believe this body should be included in this activity as well.

Suggested Amendment: In order to include the California Mental Health Planning Council, we would suggest amending Section 5848(c) to read as follows:

(c) ~~The department shall establish requirements for the content of the plans.~~ The plans shall include reports on the achievement of performance outcomes for services pursuant to Part 3 (commencing with Section 5800), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850) funded by the Mental Health Services Fund and established *jointly* by the ~~department~~ Department of Health Care Services, the *California Mental Health Planning Council*, and the Mental Health Services Oversight and Accountability Commission, in collaboration with the California Mental Health Directors Association.

Thank you for your continued commitment to and leadership in California's community mental health system. We appreciate your goal of providing clarity to the continued implementation of the Mental Health Services Act, and thank you for considering our suggestions to this bill. Please do not hesitate to contact us at (916) 556-3477, ext. 108, pryan@cmhda.org, or kbaylor@co.slo.ca.us with any questions you may have.

Sincerely,



Patricia Ryan
Executive Director, CMHDA



Karen Baylor
Mental Health Director, San Luis Obispo County
President, CMHDA

Cc: Honorable Chair and Members, Senate Health Committee
Diane Van Maren, Policy Consultant, Office of Senate Pro Tempore Steinberg
Scott Bain, Consultant, Senate Health Committee
Joe Parra, Kirk Feely, Consultants, Senate Republican Caucus
Michelle Baass, Consultant, Senate Budget Committee
Andrea Margolis, Consultant, Assembly Budget Committee
Kelly Brooks, California State Association of Counties

Cyndi Hillery, Regional Caucus of Rural Counties
Jolena Voorhis, Urban Counties Caucus
Kiyomi Burchill, Assistant Secretary, California Health & Human Services Agency
Vanessa Baird, Deputy Director, DHCS
Kathy Gaither, Chief Deputy Director, DMH
John Doyle, Carla Castaneda, Department of Finance
Sherri Gauger, Executive Director, MHSOAC
Jane Adcock, Executive Director, California Mental Health Planning Council

INTEROFFICE MEMO



DATE: April 11, 2012

Telephone: (909) 382-3133

FROM: CaSONYA THOMAS, Director
Department of Behavioral Health

A handwritten signature in black ink, appearing to read "CaSonya Thomas".

TO: MEMBERS
BOARD OF SUPERVISORS

SUBJECT: POSTING OF A MENTAL HEALTH SERVICES ACT (MHSA) PERMANENT HOUSING DEVELOPMENT

The purpose of this memo is to provide information to the Board of Supervisors regarding posting of a proposed housing project in the city of Yucaipa, County of San Bernardino.

BACKGROUND

The project proposal for Horizons at Yucaipa was reviewed and approved by the San Bernardino County Executive Housing Committee on April 3, 2012. On April 16, 2012, the Department of Behavioral Health (DBH) intends to release a notice of initiation of a 30-day public review for the Horizons at Yucaipa project under the Mental Health Services Act (MHSA) Housing program.

The California Housing Finance Agency (CalHFA) and the State Department of Mental Health have jointly allocated approximately \$20 million in funds to DBH for the MHSA Housing Program. The project is proposed for development by Urban Housing Communities, LLC and Housing Partners I, an affiliate of the Housing Authority of the County of San Bernardino will serve as the non-profit managing general partner.

Horizons at Yucaipa will provide 77 units of affordable housing to be constructed in the city of Yucaipa. A total of 10 one-bedroom units will be designated for the MHSA Housing Program as permanent supportive housing for eligible seniors with serious mental illness who are homeless or at risk of becoming homeless, and who meet the MHSA Housing Program Target population description. The remaining 67 units will be designated as affordable housing for seniors.

CONCLUSION

A 30-day public review and comment period is required for the County of San Bernardino Department of Behavioral Health to submit an application to the State-administered MHSA Housing program to secure funding for any proposed housing development intended to provide supportive housing for mental health clients.

The project is scheduled to be reviewed by the members of the Board of Supervisors on May 22, 2012. Upon approval of the Board, the entire application will be submitted to the State Department of Mental Health and CalHFA.

Should you have questions or need additional information, please contact my office. Thank you for your continued support!

CT:SN:ca:cv

cc: Greg Devereaux, Chief Executive Officer
Linda Hagan, Assistant Executive Officer, Human Services
Susan Benner, Executive Director, Housing Authority of the County of San Bernardino
Mary Jane Olhasso, Administrator, Economic Development Agency
Patricia M. Cole, Assistant Administrator, Economic Development Agency
Members, Behavioral Health Commission
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